GOVERNMENT OF INDIA
STEEL
LOK SABHA

UNSTARRED QUESTION NO:1069
ANSWERED ON:23.10.2008
INCREASE IN PRODUCTION OF STEEL
Singh Shri Dushyant

Will the Minister of STEEL be pleased to state:

(a) whether the Government has taken steps to increase the production of steel in the country;

(b) if so, the achievement made in this regard during the Tenth Plan; and

(c) the steps taken to compete globally in steel production and sale?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF STEEL (SHRI JITIN PRASADA)

(a) In a de-regulated, liberalized economy, production of steel is influenced primarily by demand conditions (both local and global markets) and also by availability of raw materials to achieve the required level of production. Decisions related to production are taken essentially by the steel producing units. The Government in such a market set-up has the role of a facilitator only − it provides the overall policy environment to promote industry growth.

(b) Data on capacity and production of crude steel in the country during the Tenth Plan period (2002-03 to 2006-07) is given below.

Year	Crude steel (unit: million tonne) Production	Capacity	Capacity utilization (%)
2002-03	34.71	40.41	86
2006-07	50.82	56.82	89
CAGR (%)	9.7	8.1	-

Source: Joint Plant Committee

(c) The government has released the National Steel Policy, which has laid down the broad roadmap of growth for the Indian steel industry. The long-term goal of the Policy is that India should have a modern and efficient steel industry of world standards, catering to diversified steel demand. The focus of the Policy is to achieve global competitiveness not only in terms of cost, quality and product-mix but also in terms of global benchmarks of efficiency and productivity.

Leading domestic steel producers − both public sector and private sector plants - have announced plans to expand their existing capacity through both green field and brown field ventures, which are currently at different stages of implementation. It is estimated that crude steel production capacity is likely to reach around 124 million tonnes by 2012 from the present level of 59.55 million tonnes as at end of 2007-08.